



Capital Planning Committee

Capital Plan for FY2024 (July 1, 2023 – June 30, 2024)
5-Year Plan for FY2024 – FY2028

Date: Thursday, December 8, 2022
Time: 5:00pm-7:00pm
Location: Zoom Meeting

Minutes

Attendance: Ida Cody,
Jose Farias,
Darrel Harmer,
Jonathan Haughton,
Kate Loosian (arrived at 5:10pm),
Phyllis Marshall,
Chris Moore,
Joe Solomon (arrived at 5:10pm),
Julie Wayman,
Timur Kaya Yontar.

Not in attendance: Joseph Barr.

Meeting Opened: Mr. Yontar called the meeting to order at 5:05pm.

Approval of Minutes: The minutes from the November 17, 2022 meeting were reviewed and approved by the following vote:

Joseph Barr: Absent
Ida Cody: Yes,
Jose Farias: Yes,
Darrel Harmer: Yes,
Jonathan Haughton (made motion to approve): Yes,
Kate Loosian: Absent,
Phyllis Marshall: Yes,
Chris Moore (seconded motion to approve): Yes,
Joe Solomon: Absent,
Julie Wayman: Yes,
Timur Kaya Yontar: Yes.

Upcoming Meetings: Mr. Yontar noted that the next meeting of the Committee will take place on December 22 to do a second review of the overall capital budget and plan, and then on January 5, 2023, which will be a third and final review of the overall capital budget and plan prior to submission to the Town Manager. After that, the Committee will prepare for the presentation to the Finance Committee, which will take place in either late February or early March.

Review of Overall Capital Budget: Mr. Yontar summarized the purpose of the meeting, which is to provide a first full review of the capital plan, as well as the various documents that were distributed to the Committee.

Mr. Yontar started by reviewing the memo he wrote to the Committee about the development of this initial version of the plan, including providing an explanation of the various elements of funding and offsets, and the calculations that go into developing the plan. As noted in the previous meeting, there had been concerns about how out of balance the plan might be. However, based on discussions with Town staff and a series of adjustments, the plan is actually relatively balanced, with a small surplus in the FY24 plan year, and an overall deficit of approximately \$8,000 over the five years of the plan (which should be possible to resolve relatively easily). Mr. Yontar then went through the details of the changes that occurred to lead to this improvement, including removing and/or postponing projects and converting cash funded projects to being bond funding (which spreads the expenses over multiple years).

Mr. Haughton asked about how decisions are made about paying for projects in cash vs. bonding, and Mr. Yontar provided an overview of the Committee's policy on bonding, which has been documented in prior meetings. Mr. Solomon asked about the role of the Committee (and the individual subcommittees) in making decisions about changes to the plan and which projects to fund or cut/delay, as compared to the role of the Committee officers, department heads, and other decision makers who are not on the Committee. Mr. Yontar responded by saying that the purpose of these reviews of the plan is to try to make sure that the Committee members have the opportunity to review the changes that are made, to ensure that the final product is reflective of the Committee's and the Town's priorities.

Ms. Wayman provided a summary of the changes to the plan, which are also documented in the spreadsheet that was sent to the Committee:

- The polling pads project was moved to the operating budget.
- The multiple smaller requests for the Fire Department will be rolled into larger general projects for mechanical repairs, which allows those requests to be bonded.
- The Park Circle Fire Station mechanical upgrades were removed and will be paid with American Rescue Plan Act (ARPA) funds.
- Jaws of Life acquisition was delayed by one year.
- One of the Fire Department vehicles was delayed by a year.
- Bola Wrap acquisition was moved into FY26.
- Bulletproof vest acquisition was moved to the operating budget.

- ARPA funds will be used for the cooling tower at the Community Safety building.
- The Savoyan Fund will pay the full cost of the Council on Aging vans.
- Adjustments were made to the Veterans' Memorial Park project to reduce the costs to the plan, while still maintaining enough funding to allow for external fundraising to occur. A couple of questions were raised about the cost of the project and Mr. Moore noted that if the outside funding does not become real, then the project should be scaled back, as opposed to the Town eventually picking up the entire cost.
- The scope of the Whittemore-Robbins Estate work was reduced by not working on the carriage house and limiting the work in the kitchen, with the project focused on making the space usable for the Arlington Youth Counseling Center.
- IT Application Modernization Initiative was moved to operating budget.
- Conference Room Presentation Technology will be funded from ARPA.
- District Presentation Technology will be funded from existing budgeted funds.
- The MLN request for libraries was broken into component operating and capital budget elements, with the licensing costs being moved to the operating budget.
- Community Center air handler will be funded from ARPA.
- The building electrification study has been reduced to reflect the fact that the Town won't be able to accomplish building electrification as quickly as originally expected, so it doesn't make sense to plan for projects that may not happen for some time.
- Town-wide aerial imagery will be moved out a year in the plan.
- Solid waste toters were divided into two requests, reflecting the fact that half the cost is likely to be paid from a DEP grant.
- The mini excavator for the cemetery will be paid for from the cemetery perpetual care fund.
- Adjustments were made to the roadway reconstruction and sidewalk repair budgets, as indicated in the spreadsheet.
- Recreation indicated that the Thorndike Field and Waldo Park requests can be moved out by one year. Construction funding for the Thorndike Field project is expected to come from Community Preservation Act funds.
- For the Central School envelope repairs, the most urgent need is for chimney repairs, so that will be the focus of the current project. There may be a need for further repairs in the future—particularly focused on the windows—but that is a decision that has yet to be made.
- A number of other school projects have been moved earlier so that they can be funded by ARPA, which must be spent within a specific timeframe (encumbered by 12/31/24 and spent by 12/31/26).
- OMS RTUs can be removed at this point.
- Thompson School work has been removed from the plan and will be funded from other sources.
- The Town Center parking benefit district may pay for the Big Belly trash compactors, although if that funding source doesn't work then it may come back into the plan.

The Committee had several questions on the adjustments:

- Mr. Moore asked about the status of the waterproofing at the Fire Headquarters, and Mr. Yontar indicated that there was low support for the project from the Committee. Mr. Farias said that he would reach back out to Facilities to get more information about the need for that project.
- Mr. Haughton asked about spending on the Ottoson Middle School being deferred, which will eventually become a bigger problem as things continue to deteriorate prior to any rebuilding project.
- Ms. Loosian mentioned a set of projects that will be coming up in the future: Town Hall renovations, Ottoson Middle School, other projects at the Whittemore-Robbins Estate, and the overall Library needs. Ms. Wayman noted that there are now discussions of funding a more major project at Town Hall using CPA funds bonded over several years. The new Library Director is also starting to think about what to do at the Fox Library building.
- Mr. Yontar noted that it might be possible to move certain projects from FY25 to FY24 because the FY24 budget is in surplus while the FY25 budget is in deficit.
- Mr. Yontar discussed the approach that was taken to make adjustments to the roadway and sidewalk repair budgets, including trying to achieve the level of investment that is required to maintain a steady state for roadway conditions and see the budget increase by approximately 5%/year. Mr. Solomon raised the importance of making sure that sidewalks conditions are improved, and that safety and accessibility are properly taken into consideration. This led to a discussion about how to try to allocate more funds to both streets and sidewalks, and possibly reduce or eliminate other projects.
- Mr. Yontar noted that the electric vehicle charging project is relatively expensive and didn't enjoy a tremendous amount of support from the Committee. However, it is highly likely that a significant portion of the cost could be covered by grants. This led to a discussion about whether this is the best place to spend limited capital funds, particularly given the existing utilization, the demographics of the users, and the question of whether the Town should be responsible for providing this service. Mr. Yontar asked for a vote on removing this item from the plan in order to use the funds for another purpose, which passed by the following vote:

Joseph Barr: Absent,

Ida Cody: No,

Jose Farias: Yes,

Darrel Harmer: No,

Joonathan Haughton: Yes,

Kate Loosian: Yes,

Phyllis Marshall: No,

Chris Moore (made motion to approve): Yes,

Joe Solomon (seconded motion to approve): Yes,

Julie Wayman: No,

Timur Kaya Yontar: Yes.

- Mr. Yontar asked whether Committee members have any inclination to remove or defer any of the school-related projects that didn't score well on the Committee's

scoring spreadsheet. Some Committee members thought that it might be worth considering delaying projects (particularly those in FY25, which currently has a significant deficit) if there is additional information that is needed to make the case for those projects. These projects could potentially move back into FY25 in the future if that additional information is provided.

- The Committee also had further discussion about whether the plan should include funding for the Veterans' Memorial Park, and whether it is appropriate for the Town to allocate the amount of funding that is being requested, given the uncertainty about how much external funding will be possible. The Committee also discussed potential approaches to the timing of this commitment, as well as bonds vs. cash as the source of funds.
- No decisions were made on further changes to the plan, but Mr. Yontar will work with Ms. Wayman to propose additional changes based on the discussion.

New Business: Ms. Marshall mentioned that the Town issued \$8.515M in new bonds on December 1 at a net interest rate of 3.77%, which is higher than the 2.4% net interest rate earlier in the year, but still quite good given the market. The Town also issued Bond Anticipation Notes at an interest rate of 3.14%. Mr. Yontar noted that the plan uses a very conservative assumption of a 5.5% interest rate for the next several years, to protect against any further increases in the actual interest rates on Town bonds.

Meeting Adjournment: The meeting adjourned at 7:00pm, based on the following vote:

Joseph Barr: Absent,
Ida Cody: Yes,
Jose Farias: Yes,
Darrel Harmer: Yes,
Jonathan Haughton: Absent,
Kate Loosian: Yes,
Phyllis Marshall: Absent,
Chris Moore (made motion to adjourn): Yes,
Joe Solomon (seconded motion to adjourn): Yes,
Julie Wayman: Absent
Timur Kaya Yontar: Yes.